

Understanding that I do not possess the in-depth knowledge necessary to comment on all of the items in the Advance Notice of Proposed Rulemaking (ANPR), I do offer the following comments:

Services Provided:

Our corporate credit union provides valuable assistance and education to us in the areas of investments, wire transfers, education & training, line of credit and ACH processing. We rely on them in the areas where we do not have expertise or experience and in areas where it would be cost prohibitive for us to operate. Until the recent meltdown at U S Central, we have been completely happy with the services provided. I would want our corporate to continue to provide these services for us.

Role of Corporates in the Credit Union System:

I see no justifiable need for the second or wholesale tier. Our corporate credit union is perfectly capable of investing successfully. Eliminating the second or wholesale tier would be a good move.

Payment System:

Corporates could be structured no different from natural person credit unions ... that is, have different departments being supervised by competent people, geared towards different products. I see no need to "isolate" any one product any further.

I don't believe a "*payment systems only*" corporate would generate sufficient income to be a viable business. Besides, credit unions need one place from which to receive multiple products and services.

Liquidity and Liquidity Management:

As the credit union for credit unions, I believe providing liquidity for the credit union system definitely should be a core objective for corporate. I would suggest that NCUA only limit the types of investments a corporate may make to somewhat less risky investments than they currently invest in.

Field of Membership Issues:

Competition is usually good for the consumer, and, I would presume, well for the corporate and the credit unions that have chosen to do business with various corporates'. However, if this has led to some of the problems we see now, perhaps it is time to install regional limits.

Expanded Investment Authority:

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Comments

I am not an investment guru and therefore do not understand the more exotic investment instruments in use today – obviously, some of the corporate people don't quite grasp the risk either. I feel that competent people should be allowed to have a balanced portfolio of investments which could include the more exotic ones, provided ... there is not excessive risk; that they are trained and knowledgeable in this area; and, provided that the NCUA examiners that examine them are qualified and have the guts to make the hard calls.

Structure: two-tiered system:

I see no need for this.

Permissible Investments:

NCUA absolutely should limit the types of investments any corporate credit union may make. Exotic, high risk investments such as CDO's, CMO's and subprime & Alt-A asset backed securities should not be allowed. The money they are investing is credit union members money – credit unions are conservative and have no right to put members' money at high risk. These "packaged" investments are by nature, high risk.

Corporate Governance:

If corporates are to remain a part of the credit union movement, compensation for directors is not recommended unless the NCUA wants to allow compensation for credit union directors. If allowed, compensation should be minimal.

I do not agree with having "outside" directors. I'm undecided about having term limits ... it has merits and it has limitations. Members of corporate credit unions have no need for salary information of senior management – this is a board function.

Respectfully submitted

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